



The PFM Group

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Memorandum

To: Alan Rosenzweig
From: David Moore
CC: Virginia Rutledge
Re: Danfoss Turbocor Compressors

Per your request, PFM has reviewed the proposal presented to Leon County, Florida (the "County") by Danfoss Turbocor Compressors ("DTC"). It is our understanding that DTC is proposing to build a manufacturing plant in the County in return for the County contributing a \$1.6 million grant toward the project. In order for the County to enter into such agreement, there should be a clear understanding of the financial stability and future viability of DTC. At this point we are unable to comment on these two aspects of DTC due to the fact that DTC has declined to provide audited financial statements to the County. The only financial information that was provided by DTC (or otherwise found during our research) consisted of a balance sheet and income statement, most of which was a pro forma for future years. In addition, there was no rationale provided for how this pro forma was developed or data to support the pro forma projections. Therefore, PFM would recommend that the County does not enter into this agreement with DTC until such information is made available for the County's review. Please feel free to contact either of us at 407-648-2208 with any additional questions that you might have.